

RESOLUTION
K. HOVNANIAN COMPANIES OF PENNSYLVANIA, INC.

RESOLVED, by the Board of Directors of K. HOVNANIAN COMPANIES OF PENNSYLVANIA, INC. (the "Corporation") at a special meeting held on April 7, 2005 at 10 Highway 35, Red Bank, New Jersey 07701 with all directors present throughout that the following persons are hereby designated and appointed as officers of the Corporation:

<u>Name</u>	<u>Office</u>
Ara K. Hovnanian	Vice-Chairman
J. Larry Sorsby	Executive-Vice-President and Chief Financial Officer
Peter S. Reinhart	Senior Vice-President, General Counsel and Secretary
Paul W. Buchanan	Senior Vice-President and Controller
Kevin Hake	Vice-President – Finance and Treasurer
Joseph Riggs	Group President
Stephen M. Dahl	Vice President and Chief Legal Counsel
Barry Edelman	Division President
George DeMartino	Vice President
Elizabeth Hurtubise	Assistant Secretary

Dated: April 7, 2005

K. HOVNANIAN COMPANIES OF
PENNSYLVANIA, INC.

By: 

Name: Peter S. Reinhart

Title: Senior Vice President, General Counsel,
and Secretary



Anne Gold

03/31/2004 03:34 PM

To: Ingrid Hopkins/R3/USEPA/US@EPA

cc:

Subject: K. HOVNANIAN AT NORTHAMPTON LLC: D&B Business Information Report

Below is the d&b report you requested for "Hovnanian". Our d&b representative could not find any listings at the exact location you gave us, so this was the closest match. Thank you again for your patience!

Anne F. Gold
ASRC Aerospace Corporation contractor
US EPA Region 3 RCEI
1650 Arch Street (3PM52)
Philadelphia PA 19103
(215) 814-5362 (ph) (215) 814-5253 (fx)
gold.anne@epa.gov

----- Forwarded by Anne Gold/R3/USEPA/US on 03/31/2004 03:32 PM -----

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ATTN: Region 3
Printed: MAR 31 2004

Report

In Date

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* * * BUSINESS SUMMARY * * *

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K. HOVNANIAN AT NORTHAMPTON LLC
(SUBSIDIARY OF K HOVNANIAN ENTERPRISES, INC, RED BANK, NJ)
301 Oxford Valley Rd Ste 1503
(yardley)
Morrisville, PA 19067

This is a single (subsidiary)
07-059-2618
location.

| D-U-N-S® Number:

Web site: www.khovprivatehome
.com

D&B Rating: --

Telephone: 215 493-7304

Manager: BARRY EDELMAN,
MANAGER

Year started: 2001

Employs: UNDETERMINED

History: CLEAR

SIC: 6531

Line of business: Real estate
agent/manager

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* * * SUMMARY ANALYSIS * * *

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D&B Rating: --

The blank rating symbol should not be interpreted as indicating that credit should be denied. It simply means that the information available to D&B does not permit us to classify the company within our rating key and that further enquiry should be made before reaching a decision. Some reasons for using a "-" symbol include: deficit net worth, bankruptcy proceedings, insufficient payment information, or incomplete history information.

Below is an overview of the company's rating history since 07/22/03:

D&B Rating	Date Applied
--	07/22/03

The Summary Analysis section reflects information in D&B's file as of March 29, 2004.

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* * * CUSTOMER SERVICE * * *

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* * * HISTORY * * *

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The following information was reported 07/22/2003:

Management: BARRY EDELMAN, MANAGER
 K HOVNANIAN DEVELOPMENTS OF PA, INC, MEMBER

The business operates as an LLC operating in the state of Pennsylvania.

Business started 2001.

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* * * CORPORATE FAMILY * * *

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The following global corporate family members are related to this

business.

Members are listed alphabetically first by company name, then by country or U.S. state, then by city.

Global Ultimate:

Hovnanian Enterprises Inc
04-665-0388

Red Bank, NJ

Parent:

K Hovnanian Enterprises, Inc
82-557-0302

Red Bank, NJ

Affiliates (US):

Matzel Mumford Organization
11-283-7369
Incorporated

Hazlet, NJ

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* * * OPERATIONS * * *

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07/22/2003

Description:
Red Bank, NJ

Subsidiary of K Hovnanian Enterprises, Inc,
which operates as operative builders.

Operates as a real estate agent or manager.

Employees: UNDETERMINED.

Facilities: Owns premises in building.

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* * * SIC & NAICS * * *

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SIC: Based on information in our file,
D&B has assigned this company an
extended 8-digit SIC. D&B's use of
Estate
8-digit SICs enables us to be more

NAICS:
531210 Offices of Real
Agents and

Brokers
specific to a company's operations
than if we use the standard
4-digit code.

65310000 Real estate agents and
managers

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* * * PAYMENT SUMMARY * * *
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D&B has not received a sufficient sample of payment experiences
to establish a
PAYDEX score.

The Payment Summary section reflects payment information in D&B's
file as of
the date of this report.

Below is an overview of the company's dollar-weighted payments,
segmented by
its suppliers' primary industries:

Days Slow	Total Rcv'd (#)	Total Dollar Amounts (\$)	Largest High Credit (\$)	W/In Terms (%)	
(%)					

Top industries:					
Radiotelephone commun	1	2,500	2,500	50	-
50 - -					
Whol office supplies	1	1,000	1,000	50	-
- - 50					
Misc business credit	1	0	0	-	-
- - -					
Other payment categories:					
Cash experiences	0	0	0		
Payment record unknown	1	50	50		
Unfavorable comments	0	0	0		
Placed for collections:					
With D&B	0	0			

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* * * FINANCE * * *

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07/22/2003

On July 22, 2003, Anthony Maimone, Compliance Mgr, confirmed business information.

As of July 22 2003 a search of Dun & Bradstreets Public Record database found no open suits, liens, judgements or UCCs to which K. Hovnanian at Northampton LLC at 301 OXFORD VALLEY RD STE 1503, Morrisville PA was named defendant or debtor. Public records received hereafter will be entered into the database and will be included in reports which contain a Public Filings section.

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* * * PUBLIC FILINGS * * *

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A check of D&B's public records database indicates that no filings were found for K. HOVNANIAN AT NORTHAMPTON LLC at 301 Oxford Valley Rd Ste 1503, Morrisville PA.

D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands.

D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

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* * * GOVERNMENT ACTIVITY * * *

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Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	NO
Grantee:	NO
Party excluded from federal program(s):	NO

Possible candidate for socio-economic program consideration

Labor surplus area:	N/A
Small Business:	YES (2004)
8 (A) firm:	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

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ATTN: ingrid hopkins

IN DATE Statement Date: JAN 31 2004

DUNS: 04-665-0388	DATE PRINTED	SUMMARY
HOVNANIAN ENTERPRISES INC	APR 01 2004	RATING 5A2
+K HOVNANIAN		
K HOVNANIAN COMPANIES	SINGLE-FAMILY	STARTED 1959
HOUSE CNST,	SALES F	\$3,201,857,000
PO BOX 500	OPERATIVE	WORTH \$819,712,000
RED BANK NJ 07701	BUILDERS, MORTGAGE	EMPLOYS 3,249(100 HERE)
10 HWY #35	BANKER/CORSPDNT	HISTORY CLEAR
AND BRANCH(ES) OR DIVISION(S)		FINANCING SEC-UNSEC
RED BANK NJ 07701	SIC NOS.	FINANCIAL
TEL: 732 747-7800	15 21 15 31 61 62	CONDITION GOOD
	63 61 15 22	

CHIEF EXECUTIVE: ARA K HOVNANIAN, PRES-CEO+

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SPECIAL EVENTS

- 03/29/04 STOCK/BOND ISSUANCE/REDEMPTION/REPURCHASE: According to published reports, on May 1, 2004, the company will redeem all of its \$150 million of 9 1/8% senior notes due 2009 at a redemption price of 104.563% of principal amount plus accrued interest. The redemption will result in a pre-tax charge in the company's third quarter of fiscal 2004 of approximately \$8.7 million or \$.16 per diluted share. On March 18, 2004, the company completed an offering of \$150 million aggregate principal amount of 6 3/8% senior notes due 2014 at an offering price of 99.057%.
- 03/19/04 OTHER SPECIAL EVENT: According to published reports, the company announced its expansion into the Minneapolis/St Paul, MN market. Tom Standke has joined the company as division president for its new Minnesota division.
- 03/08/04 STOCK/BOND ISSUANCE/REDEMPTION/REPURCHASE: According to published reports, Hovnanian Enterprises, Inc announced that its Board of Directors has authorized a 2-for-1 stock split on all shares of its common stock. The stock split will entitle all shareholders of record at the close of business on March 19, 2004 to receive one additional share of Class A Common Stock for every share of Class A Common Stock held on that date and one additional share of Class B Common Stock for every share of Class B Common Stock held on that date. The additional shares of Class A Common Stock and Class B Common Stock will be distributed to shareholders in the form of a stock dividend on March

26, 2004.

03/02/04 EARNINGS UPDATE: According to published reports, comparative operating results for the 3 months ended January 31, 2004: Revenue of \$775,215,000, Net Income of \$57,711,000; compared to Revenue of \$627,635,000, Net Income of \$44,761,000 for the comparable period in the prior year.

02/27/04 STOCK/BOND ISSUANCE/REDEMPTION/REPURCHASE: According to published reports, the company entered into an agreement to sell \$150 million aggregate principal amount of 6.375% senior notes due 2014 at an offering price of 99.057%. The notes will be issued by K Hovnanian Enterprises Inc and will be guaranteed by Hovnanian Enterprises Inc and most of the company's current and future restricted subsidiaries. A portion of the net proceeds of this issuance will be used to redeem all of the company's outstanding 9-1/8% senior notes due 2009. The balance will be used for general corporate purposes. The offering is expected to close on March 18, 2004.

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* * * CUSTOMER SERVICE * * *

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* * * SUMMARY ANALYSIS * * *

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The Summary Analysis section reflects information in D&B's file as of March 30, 2004.

RATING SUMMARY

The "5A" portion of the Rating (the Rating Classification) indicates that the company has a worth in excess of \$50 million. The "2" on the right (Composite Credit Appraisal) indicates an overall "good" credit appraisal. This credit appraisal was assigned because of D&B's overall assessment of the company's financial, payment, and its historical information.

Below is an overview of the company's D&B Rating(s) since 01/01/91:

RATING	DATE APPLIED
5A2	01/01/91

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* * * PAYMENT SUMMARY * * *

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The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 67.

This PAYDEX score indicates that payments to suppliers average 18 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 70% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D	TOTAL DOLLAR AMOUNTS	LARGEST % HIGH CREDIT	% W/IN TERMS	DAYS SLOW			
	#	\$	\$	%	%	<31	30-60	61-90
Total in D&B's file	76	270,700	50,000					

Top 10 Industries:

1 Telephone communictns	13	12,350	2,500	78	16	6	-	-
2 Short-trm busn credit	11	65,000	25,000	75	5	12	8	-
3 Nonclassified	7	26,100	20,000	61	1	38	-	-
4 Radiotelephone commun	5	58,500	50,000	5	50	43	-	2
5 Whol plumb/hydrnics	4	11,250	5,000	46	-	-	54	-
6 Whol office supplies	2	5,250	5,000	5	95	-	-	-
7 Whol computers/softwr	1	45,000	45,000	100	-	-	-	-
8 Hvy const eqpt rental	1	25,000	25,000	100	-	-	-	-
9 Mfg biological prdts	1	7,500	7,500	100	-	-	-	-
10 Whol durable goods	1	2,500	2,500	100	-	-	-	-
11 OTHER INDUSTRIES	27	12,100	1,000	66	14	-	14	6

Other Payment Categories:

Cash experiences	0	0	0
Payment record unknown	3	150	50
Unfavorable comments	0	0	0
Placed for collection			
with D&B	0	0	
other	0	N/A	

The highest "Now Owes" on file is \$30,000

The highest "Past Due" on file is \$30,000

D&B receives nearly 400 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)

Disc - Discounted (Payments received within trade discount period)

Ppt - Prompt (Payments received within terms granted)

REPORTED PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
03/04 Ppt	45000	-0-	-0-	N30	2-3 Mos
Ppt	250	-0-	-0-	N30	6-12 Mos
Ppt-Slow 30	500	250	-0-		1 Mo
Lease agreement					
(004)	50	-0-	-0-		6-12 Mos
02/04 Ppt					
Lease agreement					
Ppt					
Lease agreement					
Ppt					
Lease agreement					
Ppt					
Lease agreement					
Ppt	25000	-0-	-0-		1 Mo
Ppt	5000	5000	-0-		
Ppt	2500	1000	-0-		1 Mo
Ppt	2500	-0-	-0-		4-5 Mos
Ppt	2500	2500	250		1 Mo
Ppt	2500	-0-	-0-		6-12 Mos
Ppt	2500	2500	-0-		
Ppt	1000	-0-	-0-		6-12 Mos
Ppt	1000	250	-0-		1 Mo
Ppt	1000	750	-0-		
Ppt	750	-0-	-0-		6-12 Mos
Ppt	750	500	-0-		
Ppt	750	750	250		
Ppt	500	50	-0-		
Ppt	500	-0-	-0-		4-5 Mos
Ppt	250	50	-0-		1 Mo
Ppt	100	-0-	-0-		6-12 Mos
Ppt	100	50	-0-		1 Mo
Ppt	50	-0-	-0-		6-12 Mos
Ppt	50	50	50		
Ppt	-0-	-0-			4-5 Mos
Ppt-Slow 30	5000	-0-	-0-		1 Mo
Ppt-Slow 30	2500	1000	-0-		1 Mo
Ppt-Slow 30	1000	500	-0-		
Ppt-Slow 30	500	50	50		1 Mo
Ppt-Slow 60	20000	-0-	-0-		2-3 Mos
Ppt-Slow 60	15000	1000	100		
Ppt-Slow 60	500	-0-	-0-		1 Mo
Ppt-Slow 90	5000	2500	1000		1 Mo
Ppt-Slow 90	5000	2500	1000		1 Mo
Ppt-Slow 90	5000	-0-	-0-		6-12 Mos
Ppt-Slow 90	5000	5000	5000		6-12 Mos
Ppt-Slow 90	250	-0-	-0-		6-12 Mos
Slow 30	250	-0-	-0-		6-12 Mos

Slow 30	100	-0-	-0-	6-12 Mos
Slow 30-60	1000	-0-	-0-	2-3 Mos
Slow 90	1000	-0-	-0-	6-12 Mos
Slow 30-90	1000	1000	500 N30	1 Mo
Slow 30-90+	1000	500	500	1 Mo
Slow 30-90+	500	250	250	1 Mo
Slow 30-150	250	250	250	1 Mo
(051)	50	-0-	-0-	6-12 Mos
(052)	50	-0-	-0-	2-3 Mos
01/04 Ppt-Slow 30	2500	2500	1000	1 Mo
Ppt-Slow 30	2500	2500	2500	1 Mo
Ppt-Slow 30	1000	1000	-0-	1 Mo
Slow 30-60	50000	30000	30000	
Slow 70	1000	1000	-0-	
Slow 30-90+	2500	1000	750	1 Mo
12/03 Ppt	500	-0-	-0-	1 Mo
Ppt-Slow 30	100	100	-0-	1 Mo
Slow 90	250	-0-	-0-	6-12 Mos
11/03 Ppt	1000	-0-	-0-	1 Mo
Ppt	500	100	-0-	1 Mo
Ppt	500	250	-0-	1 Mo
Ppt	-0-	-0-		2-3 Mos
Ppt	-0-	-0-		1 Mo
10/03 Slow 30	5000	5000	2500	1 Mo
09/03 Ppt	1000	250		
Lease agreement				
08/03 (069)	50			2-3 Mos
Satisfactory.				
05/03 Ppt	7500	7500	-0-	1 Mo
Ppt	1000	-0-	-0- N30	6-12 Mos
04/03 Ppt	25000	25000	-0- N30	1 Mo
Ppt	250	-0-	-0-	6-12 Mos
(074)	750			6-12 Mos
Satisfactory.				
01/03 Ppt	2500	1000	-0-	1 Mo
12/02 Ppt	250	-0-	-0- N30	2-3 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

STATEMENT UPDATE

03/17/04 Interim Consolidated statement dated JAN 31 2004:

Cash	\$ 121,388,000	Notes Pay	\$ 1,037,618,000
Inventory	2,023,299,000	Non-Recourse	
Receivables/Depos		Land Mortgages	47,741,000
its & Notes	54,898,000	Taxes	9,826,000
Prepaid Expenses		Total Accounts	
& Other Assets	127,365,000	Payable & Other	
Goodwill/Indefini		Liab	220,085,000
te Life		Customer Deposits	67,317,000

Intangible	82,658,000		
Definite Life			
Intangibles	85,353,000		

Curr Assets	2,494,961,000	Curr Liabs	1,382,587,000
Fixt & Equip	28,438,000	Liabs From	
Mortgage Loans		Inventory Not	
Held For Sale	121,973,000	Owned	59,941,000
Other Assets	3,379,000	Other Liabilities	307,299,000
		COMMON STOCK	360,000
		ADDIT. PD.-IN CAP	182,699,000
		TREASURY STOCK	(47,028,000)
		RETAINED EARNINGS	762,893,000

Total Assets	2,648,751,000	Total	2,648,751,000
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From NOV 01 2003 to JAN 31 2004 sales \$775,215,000; cost of goods sold \$563,935,000. Gross profit \$211,280,000; operating expenses \$94,402,000. Operating income \$116,878,000; other expenses \$24,183,000; net income before taxes \$92,695,000; Federal income tax \$34,984,000; net income \$57,711,000.

Statement obtained from Securities And Exchange Commission.
Prepared from books without audit.

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Explanations: Other Liabilities consists of Mortgage warehouse line of credit and Total minority interest from Inventory not owned and consolidated joint ventures.

FINANCE

01/26/04

	Fiscal	Fiscal	Fiscal
	Consolidated	Consolidated	Consolidated
	Oct 31 2001	Oct 31 2002	Oct 31 2003
Total Assets	1,064,258,000	1,678,128,000	2,332,371,000
Total Liabilities	688,612,000	1,115,579,000	1,512,659,000
Worth	375,646,000	562,549,000	819,712,000
Total Revenues	1,741,963,000	2,551,106,000	3,201,857,000
Net Income (Loss)	63,686,000	137,696,000	257,380,000
Cash Prov (Used) Op	37,069,000	248,540,000	(194,509,000)
Increase (Dec) Cash	(27,104,000)	253,841,000	(141,769,000)
Fiscal Consolidated statement dated OCT 31 2003:			
Cash	\$ 128,221,000	Accts Pay	\$ 235,903,000
Accts Rec	42,506,000	Notes Pay	817,841,000
Inventory	1,660,044,000	Nonrecourse Land	
Income Tax		Mortgage	43,795,000
Receivable	1,179,000	Customer Deposits	58,376,000
Prepaid	97,407,000	Liab From	
Fixt & Equip	35,381,000	Inventory Not	
Goodwill & Other		Owned	94,780,000
Intangibles	139,636,000	Mortgage	
Mortgage Loans		Warehouse Line	
Held For Sale	224,052,000	of Credit	166,711,000
Other Assets	3,945,000	Other Liabilities	95,253,000
		PREFERRED STOCK	280,000
		COMMON STOCK	78,000

ADDIT. PD.-IN CAP	163,712,000
TREASURY STOCK	(49,540,000)
RETAINED EARNINGS	705,182,000

Total Assets	2,332,371,000	Total	2,332,371,000
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From NOV 01 2002 to OCT 31 2003 annual sales \$3,201,857,000; cost of goods sold \$2,342,324,000. Gross profit \$859,533,000; operating expenses \$384,357,000. Operating income \$475,176,000; other expenses \$63,658,000; net income before taxes \$411,518,000; Federal income tax \$136,680,000; other tax \$17,458,000. Net income \$257,380,000. Retained earnings at start \$447,802,000. Net income \$257,380,000; retained earnings at end \$705,182,000.

Accountant: Ernst & Young LLP.

ACCOUNTANTS OPINION: A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

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..... BALANCE SHEET EXPLANATIONS

The net worth of this company includes intangibles.

NOTES PAYABLE: Consists primarily of term loans, senior notes, senior subordinated notes and accrued interest.

OTHER LIABILITIES: Consists primarily of minority interests.

SUMMARY STATEMENT OF CASH FLOWS (for the year ended Oct 31, 2003): Cash provided by (used in) operating activities was \$(194,509,000). Cash provided by (used by) investing activities was \$(197,755,000). Cash provided by (used by) financing activities was \$250,495,000. Cash and cash equivalents decreased \$141,769,000.

RESULTS OF OPERATIONS: Consolidated revenue increased to \$3.2 billion in 2003 from \$2.6 billion in 2002. The company reported increased revenue in its home sales group and financial services group. The increase in housing revenues during the year ended Oct 31, 2003 was primarily due to organic growth within the company's existing operations. Excluding acquisitions, housing revenues and average sales prices increased in all four of the regions combined by 16.8% and 10.9%, respectively. Deliveries increased 5.3% in all regions, combined after excluding deliveries for fiscal 2003 acquisitions.

Financial services consists primarily of originating mortgages from homebuyers, selling such mortgages in the secondary market, and title insurance activities. During the years ended Oct 31, 2003, Oct 31, 2002, and Oct 31, 2001, financial services provided a \$22.9, \$18.2, and \$10.0 million pretax profit, respectively. The increases in 2003, 2002, and 2001 were primarily due to a change in management, reduced costs, increased mortgage loan amounts, and the addition of mortgage operations from acquisitions.

ANALYSIS OF CONDITION: Total liabilities in relation to net worth, as of Oct 31, 2003, were comparable to the average for this type of business. Vendors reporting on the company's payment habits indicate approximately 77% of the company's payments were within terms, as of Oct 31, 2003, which was better than the industry norm.

The company provided for its cash requirements from housing and land sales, the revolving credit facility, the issuance of \$150

million senior subordinated notes, financial service revenues, and other revenues. Management believes that these sources of cash are sufficient to finance the company's working capital requirements and other needs.

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PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

*** JUDGMENT(S) ***

DOCKET NO.: JC-00001121-95 SC
JDGMT TYPE: Judgment STATUS: Unsatisfied
AGAINST: \$1,014-K. HOVNANIAN COMPANIES, DATE STATUS ATTAINED: 11/22/1995
JERSEY CITY, NJ DATE ENTERED: 11/22/1995
IN FAVOR OF: ANITA W TONG, EDISON, NJ LATEST INFO RECEIVED: 10/27/2003
WHERE FILED: HUDSON COUNTY SPECIAL
CIVIL/SMALL CLAIMS COURT,
JERSEY CITY, NJ

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

*** SUIT(S) ***

DOCKET NO.: L 002717 03
PLAINTIFF: JAMES C CALDWELL STATUS: Pending
DEFENDANT: HOVNANIAN ENTERPRISES INC DATE STATUS ATTAINED: 10/01/2003
and OTHERS DATE FILED: 10/01/2003
CAUSE: TORT - OTHER LATEST INFO RECEIVED: 10/27/2003
WHERE FILED: ATLANTIC COUNTY SUPERIOR COURT,
MAYS LANDING, NJ

DOCKET NO.: DC-016794-2003
SUIT AMOUNT: \$10,245 STATUS: Pending
PLAINTIFF: RAYKOV CONSTRUCTION INC DATE STATUS ATTAINED: 09/16/2003
DEFENDANT: K HOVNANIAN COM LLC DATE FILED: 09/16/2003
and OTHERS LATEST INFO RECEIVED: 09/29/2003
CAUSE: CONTRC-REG
WHERE FILED: MIDDLESEX COUNTY SPECIAL
CIVIL/SMALL CLAIMS COURT,
EDISON, NJ

DOCKET NO.: L 009265 02
PLAINTIFF: JASON GENZEL STATUS: Pending
DEFENDANT: HOVNANIAN ENTERPRISES INC DATE STATUS ATTAINED: 10/07/2002
and OTHERS DATE FILED: 10/07/2002
CAUSE: CONSTRUCTION LATEST INFO RECEIVED: 10/06/2003

WHERE FILED: MIDDLESEX COUNTY SUPERIOR COURT
NEW BRUNSWICK, NJ

DOCKET NO.: L 006579 02
PLAINTIFF: JOSEPH GIOIA STATUS: Pending
DEFENDANT: K HOVNANIAN CO DATE STATUS ATTAINED: 07/11/2002
and OTHERS DATE FILED: 07/11/2002
CAUSE: PERSONAL INJURY LATEST INFO RECEIVED: 10/06/2003
WHERE FILED: MIDDLESEX COUNTY SUPERIOR COURT
NEW BRUNSWICK, NJ

DOCKET NO.: 004685-00
PLAINTIFF: MARIBEL CARAGIULO STATUS: Pending
JULIO CARAGIULO DATE STATUS ATTAINED: 10/16/2000
DEFENDANT: HOVNANIAN ENTERPRISES INC DATE FILED: 10/16/2000
and OTHERS LATEST INFO RECEIVED: 01/03/2001
WHERE FILED: MONMOUTH COUNTY SUPERIOR COURT,
FREEHOLD, NJ

DOCKET NO.: SL-00006195-99
PLAINTIFF: WILLIAM J SPATARO STATUS: Pending
LINDA SPATARO DATE STATUS ATTAINED: 12/15/1999
WILLIAM SPATARO DATE FILED: 12/15/1999
DEFENDANT: HOVNANIAN ENT INC LATEST INFO RECEIVED: 12/03/2003
and OTHERS
WHERE FILED: MONMOUTH COUNTY SUPERIOR COURT,
FREEHOLD, NJ

DOCKET NO.: SL-00006091-99
PLAINTIFF: ARLINE SOKOL STATUS: Pending
DEFENDANT: LANDARAMA INC DATE STATUS ATTAINED: 12/15/1999
and OTHERS DATE FILED: 12/15/1999
WHERE FILED: MONMOUTH COUNTY SUPERIOR COURT, LATEST INFO RECEIVED: 12/03/2003
FREEHOLD, NJ

DOCKET NO.: SL0000213997
PLAINTIFF: CHERYL A STARK STATUS: Pending
JOHN A MCNAMARA DATE STATUS ATTAINED: 04/17/1997
DEFENDANT: HOVNANIAN ENTERPRISES INC DATE FILED: 04/17/1997
and OTHERS LATEST INFO RECEIVED: 04/01/1998
WHERE FILED: MONMOUTH COUNTY SUPERIOR COURT,
FREEHOLD, NJ

DOCKET NO.: SL0000217297
PLAINTIFF: TRACEY KELLY STATUS: Pending
PHILIP J KELLY DATE STATUS ATTAINED: 04/17/1997
DEFENDANT: HOVNANIAN ENTERPRISES INC DATE FILED: 04/17/1997
and OTHERS LATEST INFO RECEIVED: 04/01/1998
WHERE FILED: MONMOUTH COUNTY SUPERIOR COURT,
FREEHOLD, NJ

DOCKET NO.: SC-00000814-95 DC
PLAINTIFF: \$8,400-SANDRA S. BRUNKHORST STATUS: Settled
\$8,400-MARIE L. LOHR DATE STATUS ATTAINED: 07/25/1996
DEFENDANT: K. HOVNANIAN COMPANIES, INC. DATE FILED: 02/28/1995

and OTHERS LATEST INFO RECEIVED: 12/09/2003
WHERE FILED: SOMERSET COUNTY SPECIAL
CIVIL/SMALL CLAIMS COURT,
SOMERVILLE, NJ

* * * UCC FILING(S) * * *

COLLATERAL: Building(s)
FILING NO: 21523632 DATE FILED: 04/14/2003
TYPE: Original LATEST INFO RECEIVED: 05/01/2003
SEC. PARTY: TATONKA CAPITAL CORPORATION, FILED WITH: SECRETARY OF
DENVER, CO STATE/UCC DIVISION,
DEBTOR: HOVNANIAN ENTERPRISES INC., NJ
EDISON, NJ

The public record items contained in this report may have been
paid, terminated, vacated or released prior to the date this
report was printed.

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BANKING

(01/03) The company's homebuilding bank borrowings are made pursuant to a revolving credit agreement that provides a revolving credit line and letter of credit line of up to \$440 million through Jul 2005. Interest is payable monthly and at various rates of either the prime rate plus .40% or Libor plus 1.85%. Management indicated they were currently in compliance and intend to maintain compliance with the covenants under the agreement. As of Oct 31, 2002, borrowings under the agreement were zero.

On Jan 22, 2002, the company issued a \$165 million term loan to a group of banks which is due Jan 22, 2007. Interest is payable monthly at either the prime rate plus 1.25% or LIBOR plus 2.5%. The proceeds from the issuance of the term loan were primarily used to partially fund the acquisition of the California operations of Forecast. As of Oct 31, 2002 borrowings under the term loan were \$115 million.

The company's mortgage banking subsidiary borrows up to \$150 million under a bank warehousing arrangement that expires in Jun 2003. Interest is payable monthly at the Federal Funds Rate plus 1.375%. Management believes that the company will be able either to extend this agreement beyond Jun 2003 or negotiate a replacement facility, but there can be no assurance of such extension or replacement facility. As of Oct 31, 2002 borrowings under the agreement were \$85.5 million.

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HISTORY

03/18/04

KEVORK S HOVNANIAN, CHB+ ARA K HOVNANIAN, PRES-CEO+
GEATON A DECESARIS JR, PRES, J LARRY SORSBY, EXEC V PRES-CFO+
HOMEBUILDING OPERATIONS-COO+
PETER S REINHART, SR V PRES-

GENERAL COUNSEL

DIRECTOR(S): The officers identified by (+) and Arthur M Greenbaum, Edward A Kangas, Desmond P Mc Donald, John J Robbins and Stephen D Weinroth.

* * * CORPORATE AND BUSINESS REGISTRATIONS * * *
PROVIDED BY MANAGEMENT OR OTHER SOURCE

The Corporate Details provided below may have been submitted by the management of the subject business and may not have been verified with the government agency which records such data.

REGISTERED NAME: Hovnanian Enterprises Inc

CORPORATION TYPE: PROFIT FILING DATE: 07/05/1983
BUSINESS TYPE: CORPORATION

STATE OF ORGANIZATION (INCORPORATION): DELAWARE
DATE OF ORGANIZATION (INCORPORATION) : 07/05/1983

WHERE FILED: Secretary of State, Dover, DE

COMMON STOCK: PREFERRED STOCK:
AUTH SHARES - 100,000,000 AUTH SHARES - 100,000
PAR VALUE - \$0.0100 PAR VALUE - \$0.0100

AUTHORIZED CAPITAL STOCK: 100,000 shares of preferred stock, \$.01 par value; 87,000,000 shares of Class A common stock, \$.01 par value and 13,000,000 shares of Class B common stock, \$.01 par value.

OUTSTANDING CAPITAL STOCK: As of Oct 31, 2003, there were 28,016,497 Class A shares issued, 7,768,508 Class B shares issued and 345,874 Class B shares held in treasury.

Business started 1959.

BACKGROUND/OWNERSHIP: Business was originally founded in 1959 by Kevork S Hovnanian. Kevork S Hovnanian was succeeded by Hovnanian Enterprises Inc, chartered in New Jersey Nov 26 1967. In Sep 1983 the New Jersey corporation merged into the present Delaware corporation. Shareholders of the New Jersey corporation exchanged one share of common stock for 39 shares of common stock of the subject. This is a publicly held corporation whose class A common stock is traded on the American Stock Exchange under the symbol "HOV". The company's Class A stock was held by 459 shareholders of record at Jan 5, 2004. There is no established public trading market for their Class B Common Stock, which was held by 459 shareholders of record at Jan 5, 2004. As of Jan 17, 2003, the officers and directors, as a group, beneficially owned 32.8% of Class A common stock and 92.5% of Class B common stock. As of Jan 17, 2003 beneficial owners of 5% or more of the common stock included: Kevork S Hovnanian with 22.6% of Class A and 78.6% of Class B; Ara K Hovnanian with 6.1% of Class A and 14.9% of Class B and Dimension Fund Advisors Inc, Santa Monica, CA

with 7.2% of Class A.

RECENT EVENTS: In Nov 2003, the company completed the acquisition of the assets of Winward Homes Inc (Tampa, FL).

In Apr 2003, the company completed the acquisition of Summit Homes (Canton, OH). Summit Homes will continue in Canton as a subsidiary of Hovnanian.

In Jan 2003, the company completed the acquisition of Brighton Homes (Houston, TX).

In Nov 2002, the company completed the acquisition of Parkside Homes (Red Bank, NJ).

In Jan 2002, the company completed the acquisition of the homebuilding operations of The Forecast Group LP (Rancho Cucamonga, CA).

On Jan 23, 2001, the company acquired Washington Homes Inc (Landover, MD).

KEVORK S HOVNANIAN born 1923. 1944-59 was self employed abroad

under own name in heavy construction work specializing in road building. Came to the United States 1959. 1959-present active here.

ARA K HOVNANIAN born 1957. MBA Wharton School of Business, 1979. 1979-present active here.

GEATON A DECESARIS JR born 1956. 1988-2001 served as president, CEO and director of Washington Homes Inc. 2001-present active here.

J LARRY SORSBY born 1955. Graduated from Stephen F Austin University 1977. 1985-88 employed by Mortgage Banque, Inc as president. 1988-present active here.

PETER S REINHART born 1955. 1991-present active here.

..... DIRECTORS.

ARTHUR M GREENBAUM. Senior partner in the law firm of Greenbaum, Rowe, Smith, Ravin, Davis & Himmel.

EDWARD A KANGAS. Former chairman and CEO of Deloitte Touche Tohmatsu.

DESMOND P MC DONALD. Former president and director of Midlantic Bank N A.

JOHN J ROBBINS. Former partner in the firm of Kenneth Leventhal & Company.

STEPHEN D WEINROTH. Senior partner in Andersen, Weinroth & Co, LP.

AFFILIATES: The company provides property management services to various limited partnerships including one partnership in which Kevork Hovnanian is a general partner and members of his family are limited partners.

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OPERATION

03/18/04 Contractor of single family housing. Condominiums, townhouses and speculative building of single-family houses. Operates as a mortgage banker. Operates as a title insurance carrier. Contractor of residential buildings.

Terms are cash at closing with customer deposit taken at signing of selling contract. Sells to general trade, some sales of land and lots to other builders.

Highly competitive.

EMPLOYEES: 3,249 which includes officer(s). 100 employed here.

FACILITIES: Owns 24,000 sq. ft. in a four story concrete block building.

LOCATION: Suburban business section on main highway.

BRANCHES: This business has multiple branches, detailed branch/division information is available in D&B's linkage or family tree products.

SUBSIDIARIES: This business has multiple subsidiaries, detailed information is available in D&B's linkage or family tree products.

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